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BUDGET VIEWS AND ESTIMATES FOR FISCAL YEAR 1986

A REPORT

SUBMITTED TO THE

BUDGET COMMITTEE

(Pursuant to Section 301(c) of Public Law 93-344)

PREPARED BY THE

SELECT COMMITTEE ON INDIAN AFFAIRS
UNITED STATES SENATE

MARCH 1985

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LETTER OF TRANSMITTAL

U.S. SENATE,
SELECT COMMITTEE ON INDIAN AFFAIRS,
Washington, DC, March 18, 1985.

Hon. PETE V. DOMENICI,
Chairman, Committee on the Budget,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: In accordance with the provisions of Section 301(c) of Public Law 93-344, I am enclosing the Report of the Select Committee on Indian Affairs on budget requests for fiscal year 1986.

The recommendations of the Select Committee relate to programs administered by the Bureau of Indian Affairs in the Department of the Interior, the Indian Health Service and the Administration for Native Americans in the Department of Health and Human Services, and Indian education programs under Title IV, Indian Education Act, administered by the Department of Education. The Committee also has oversight jurisdiction over Indian housing programs administered by the Department of Housing and Urban Development. The Committee has included a discussion of Indian housing needs in this Report but notes that actual budgetary recommendations for this program will be made by the Committee on Banking, Housing and Urban Affairs.

Programs administered by the Bureau of Indian Affairs amount to roughly $1 billion and account for approximately one-half of our budgetary recommendations. The Administration's request for BIA programs is $91 million less than the fiscal year 1985 baseline. To achieve this reduction the Administration proposes to zero fund programs authorized under the Johnson-O'Malley Act of 1936, as amended, to assist Indian children attending public schools ($28.8 million savings); requests no authority or funds for construction or planning and design of new schools ($13.6 million saving); and requests no funds for on-going irrigation construction projects ($10.6 million savings). The Committee does not agree with these Administration requests. The Administration's budget proposal for fiscal year 1986 also proposes a savings of $11.4 million to be achieved through a 5 percent pay cut of BIA employees. The Committee has taken no position on this proposal.

For most programs administered by the BIA the Committee has recommended funding at fiscal year 1985 program levels. An important exception of this is funding of Tribally Controlled Community Colleges. There has been a continual increase in the number of Students attending these institutions with no commensurate increase in funding. The Committee recommends an increase in fund-

ing for this program sufficient to provide these colleges with a per student funding level of $2,812 per student, an amount equal to that appropriated in fiscal year 1983.

The Indian Health Service also accounts for nearly one-half of the Committee's budgetary recommendations. The Administration's request for IHS is $758.5 million, a reduction of $184.5 million from the $943 million fiscal year 1985 baseline. This saving is to be achieved by zero funding the Community Health Representative program ($26.6 million saving); zero funding the Urban Health program ($9.8 million saving); zero funding the Tribal Management program ($2.4 million saving); and requesting only $2.5 million for construction and repair of Indian health facilities ($95.2 million saving). The Committee disagrees with these recommendations and recommends appropriations for most IHS programs at roughly the fiscal year 1985 baseline. The Committee has accepted a reduction of $40 million in the Hospital and Health Clinic program consistent with Administration anticipated Medicaid/Medicare collections to off-set such reduction.

The Committee recommendations for IHS total $904.5 million, a reduction of $38.5 million from the fiscal year 1985 baseline. The Committee has taken no position on the proposed 5 percent pay cut for IHS employees which the Administration estimated would save $13 million.

Warm regards,

Sincerely,

MARK ANDREWS, *Chairman.*

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PART I

INTRODUCTION

The Select Committee on Indian Affairs is the authorizing Committee for program operations of the Bureau of Indian Affairs (BIA) in the Department of the Interior, Indian Health Service (IHS) and Administration for Native Americans (ANA), in the Department of Health and Human Services (HHS), and the Office of Indian Education (OIE) in the Department of Education. In addition, the Committee has oversight responsibility for operation of programs in other agencies affecting Indians, including the Indian Housing program of HUD.

Specifically, Senate Resolution 4, the Committee System Reorganization Amendments, charges the Select Committee as follows:

> It shall be the duty of the Select Committee to conduct a study of any and all matters pertaining to problems and opportunities of Indians, including but not limited to, Indian land management and trust responsibilities, Indian education, health, special services, and loan programs, and Indian claims against the United States.
>
> The Select Committee shall from time to time report to the Senate, by bill or otherwise, its recommendations with respect to matters referred to the Select Committee or otherwise within its jurisdiction.

In furtherance of this responsibility, the Select Committee, on February 27, 1985, held oversight hearings on FY '86 budget submissions of the BIA, IHS, HUD, and the Office of Indian Education.

The programs administered by the BIA, IHS, HUD, and the Office of Indian Education, as well as those of other Federal agencies with Indian programs are of an extremely broad scope, literally spanning the breadth of Federal, State, and local governments, but with the addition of protection and management of trust resources of Indian people and Indian tribes to which the United States has a trust responsibility.

The Federal budget, as it relates to Indian programs, must be considered in the context of the unique relationship that the United States maintains with the Indian tribes and the Alaska Native communities.

Federal policy has long recognized that Indian tribes within the boundaries of the United States are "domestic, dependent nations." As such, the Supreme Court has held that the tribes have surrendered only those powers of sovereignty which are inconsistent with their dependent status. All other governmental powers still remain. As a result, Indian tribes are not political subdivisions of the States nor are they local governments within the meaning of most State and Federal statutes. Rather, the tribes and the United

States exercise a direct government-to-government relationship with one another.

In 1934, in furtherance of this policy, Congress enacted the Indian Reorganization Act (Act of June 18, 1934; 25 U.S.C. 461 et seq.) setting forth a new policy toward the Indian tribes and providing, among other things, for the political reorganization of the tribes in accordance with the terms of that Act if the tribes so chose. In 1936, the provisions of this Act were extended to the Territory of Alaska (Act of May 1, 1936, 25 U.S.C. 473a) and a separate Act with similar provisions pertaining to tribes in Oklahoma was enacted (Act of June 26, 1936; 25 U.S.C. 501 et seq.).

In contrast with this Federal relationship, the historical relationship of Indian tribes and the States has been one of separation. Tribes are not political subdivisions of states and thus often do not receive funding assistance from state governments. In addition, in the absence of specific legislative directive, Federal pass-through monies allocated to states all too frequently are not passed through to the tribe. In examining Federal budget allocations or reductions in Indian programs, it is thus necessary to consider that: (1) tribes do not generally receive supplemental funding from state governments on the same basis as county and municipal governments; (2) that tribes for the most part do not have other sources for raising revenues that state or local governments enjoy; and, (3) that there is a direct government-to-government relationship between the United States and the Indian tribes. Thus, when Federal monies for Indian programs are reduced or eliminated there is no replacement source to which the tribes can look.

A counterpart to the government-to-government relationship of the United States with the Indian tribes is the trust relationship and the obligations this imposes on the United States not only with respect to protection of trust resources but in assuring delivery of services to the Indian people at least commensurate with that delivered to our non-Indian citizens. At the reservation level, this obligation is obvious. While it is less obvious, it is just as real for off-reservation programs. During the decade of the 70's, Congress, in a number of Acts, specifically recognized the needs of Indians living in urban and rural off-reservation areas. Thus, an Indian component was included in the Comprehensive Employment and Training Act (CETA) enacted in 1973; and is now carried forward as the Job Partnership Training Act; education benefits were extended to off-reservation Indians through the Indian Education Act of 1972; health programs consisting principally of outreach and referral but also of some direct care were extended to off-reservation Indians through enactment of the Indian Health Care Improvement Act of 1976; and authorization of funding for Indian child welfare programs was provided with enactment of the Indian Child Welfare Act of 1978. The Administration for Native American Programs at HHS continues service to Alaskan Natives, Hawaiians, and American Indians both on and off reservation which commenced in the 1960's. Each of these programs was enacted after extensive hearings and on the basis of ascertained need of the service population which was not being met by state or local governments.

This budget report is provided in two parts: Part I provides in table form the Committee's recommendations for the next five year

period for the major program categories; Part II is more detailed and provides both table format and text discussion of the FY '85 budget recommendations. All textual discussions concern areas where Committee's recommendation differs from the Administration's request for FY '85.

BUREAU OF INDIAN AFFAIRS FISCAL YEAR 1986 BUDGET REQUEST

[In thousands of dollars]

Program	Baseline fiscal year 1985	Administration fiscal year 1986 request	SCIA recommendation
Education (Subfunction 501):			
School Operation	177,265	189,778	190,251
Johnson O'Malley education assistance	28,857	.....	28,857
Continuing education	53,256	55,986	62,480
Education contract support	13,073	7,732	7,732
Subtotal	272,451	253,496	289,320
Indian Services (Subfunction 452):			
Tribal Government services	25,936	32,077	32,077
Social services	104,984	114,110	114,110
Law enforcement	44,354	48,450	48,450
Self-determination services	24,162	21,545	25,188
Navajo-Hopi Settlement Program	2,773	2,886	2,886
Indian services contract support	14,935	.....	.....
Subtotal	217,144	219,068	222,711
Economic Development and Employment Programs (Subfunction 452):			
Employment development	25,414	26,240	26,944
Business enterprise development	15,628	15,523	15,523
Road maintenance	21,890	22,806	23,458
Economic development/employment contract support	2,675	.....	.....
Subtotal	65,607	64,569	65,925
Natural Resources Development (Subfunction 302):			
Forestry and agriculture	84,932	90,248	90,248
Minerals, mining, irrigation and power	20,758	16,488	16,488
Natural Resource Development Contract Support	4,460	.....	.....
Subtotal	110,150	106,736	106,736
Trust Responsibilities (Subfunction 452):			
Indian rights protection	20,550	19,290	19,290
Real estate and financial trust service	28,301	31,160	31,160
Trust responsibilities contract support	797	.....	.....
Subtotal	49,648	50,450	50,450
Facilities Management (Subfunction 452)	88,368	90,390	90,390
General Administration (Subfunction 452):			
Management and administration	48,260	48,910	48,910
Automatic data processing	17,748	17,966	17,966
Employee compensation payments	6,858	7,523	7,523
Program management	4,805	4,311	4,311
Cost-of-living increases for "638" employees	.....	.....	3,183
Subtotal	77,671	78,710	81,893
Construction (Subfunction 452):			
Building and utilities	56,509	37,490	59,702
Irrigation systems	25,853	15,759	26,399
Housing	22,736	16,996	22,736
Subtotal	105,098	70,245	108,837

BUREAU OF INDIAN AFFAIRS FISCAL YEAR 1986 BUDGET REQUEST—Continued

[In thousands of dollars]

Program	Baseline fiscal year 1985	Administration fiscal year 1986 request	SCIA recommendation
Road Construction (Total) (Subfunction 452)	5,880		
Contract Support (Subfunction 452)	35,940		
Miscellaneous Appropriations	41,768	45,000	70,000
Total	1,069,725	978,664	1,086,262

HEALTH AND HUMAN SERVICES FISCAL YEAR 1986 BUDGET REQUEST—INDIAN HEALTH SERVICE (SUBFUNCTION 551)

[In thousands of dollars]

Program	Baseline fiscal year 1985	Administration fiscal year 1986 request	SCIA recommendation
Clinical Services (Subfunction 551):			
Hospital and health clinic	468,631	418,221	428,938
Dental services	24,923	25,215	25,530
Mental health	11,179	11,304	11,433
Alcoholism	24,482	24,776	26,000
Maintenance and repair	8,570	8,673	8,964
Contract care	163,956	165,866	174,121
Subtotal	701,741	654,055	674,986
Preventive Health (Subfunction 551):			
Sanitation	20,299	20,272	20,684
Public health nursing	12,260	12,195	12,567
Health education	3,589	3,573	3,688
CHR	25,480	0	26,652
Hepatitis B	3,626	2,721	2,721
Subtotal	65,254	38,761	66,312
Urban (Subfunction 551)	9,800	0	10,407
Indian Health Manpower (Subfunction 551)	6,499	6,499	6,824
Tribal Management (Subfunction 551)	2,450	0	2,573
Direction Operations (Subfunction 551)	59,523	56,778	62,313
Indian Health Facilities (Subfunction 551)	97,765	2,450	81,148
IHS Total	943,032	758,543	904,563

HEALTH AND HUMAN SERVICES FISCAL YEAR 1986 BUDGET REQUEST

[In thousands of dollars]

Program	Baseline fiscal year 1985	Administration fiscal year 1986 request	SCIA recommendation
Administration for Native Americans (Subfunction 506)	29,000	27,300	34,000

DEPARTMENT OF EDUCATION (TITLE IV, INDIAN EDUCATION ACT) FISCAL YEAR 1986 BUDGET REQUEST

[In thousands of dollars]

Program	Baseline fiscal year 1985	Administration fiscal year 1986 request	SCIA recommendation
Part A	50,323	50,323	50,323
Part B	11,760	11,760	11,760
Part C	2,940	2,940	2,940
Part D	2,381	2,269	2,269
Total	67,404	67,292	67,292

BUREAU OF INDIAN AFFAIRS, DEPARTMENT OF THE INTERIOR

The Bureau of Indian Affairs (BIA) was created in the War Department in 1824 and in 1849 was transferred to the Department of the Interior. The history of the relationship between Indian tribes and the U.S. Government reveals that the mission of the BIA was founded on a government-to-government relationship and the trust responsibility. The Bureau, therefore, as an agent of the U.S. Government, recognizes a fundamental responsibility to Americam Indian tribes, Alaska Native groups, and the tribal form of government. The Bureau's mission is presently viewed as three-fold: (1) to recognize and preserve the inherent rights of tribal self-government, to strengthen tribal capacity for self-government, and to provide resources for tribal government programs; (2) to protect the rights of Indian people in dealing with other governmental entities and the private sector; and (3) to fulfull and execute the Federal Government's responsibility for trust resources and property.

Programs administered by the Bureau of Indian Affairs are extremely broad in scope. The two largest programs, education and social services, account for approximately 40 percent of the BIA budget request for FY '86. Education alone accounts for nearly 30 percent of the budget. This does not include requests for construction or facility improvement and repair of schools and related structures. Funds for construction and facility improvement and repair appropriated in FY '85 equalled approximately 17.6 percent of the funds appropriated to BIA for FY '85. Thus, education, social services, new construction, and facilities improve and repair account for nearly 60% of the entire BIA budget.

While 80 percent of all Indian students within the BIA service population attend public schools, the remaining 20 percent are provided direct education through schools operated by the Bureau. Of these children, approximately 42 percent are in BIA residential or boarding schools because their families do not live within walking distance of a public or Federal day school or available bus route, or because of special social or academic factors. The BIA thus operates, either directly or by contract, some 168 elementary and secondary schools and 14 dormitories servicing an estimated 41,481 students in 23 states. The remainder of the funding request provides funding for grant to college level or post-graduate students for continuing education. For the first time since 1936, the Administration proposes to eliminate the Johnson-O'Malley Act program

which provides funding for public schools for special programs of benefit to Indian children for a proposed saving of $28,857,000.

The Social Service program, which is the second largest program administered by the Bureau, provides welfare assistance to Indians when such assistance is not available through state or local public agencies. Financial assistance and social services are not provided by public welfare agencies of some states, particularly those states where public programs are funded and administered from local county revenues based on real property taxes. Some 17 states meet this criteria for alternative provision of BIA social services. The BIA social service program is divided into four parts: General Assistance, which accounts for 73 percent of the requested funding; child welfare assistance; miscellaneous emergency assistance; and Indian Child Welfare Act grants.

In addition to these programs, the BIA is responsible for management and protection of natural resources of individual Indians and the tribes, such as forestry, agricultural lands, minerals and mining, fisheries and irrigation and power; maintenance of over 26,000 miles of paved and unpaved roads within the reservations; provision of law enforcement services and support of tribal courts; management of Indian trust funds totalling approximately $1½ billion; provision of technical assistance and core support to tribes to enable the tribes to contract for and administer Federal programs; and provision of funds either through loans or grants to stimulate economic development on the reservations.

The Snyder Act of 1921 (42 Stat. 208; 25 U.S.C. 13) provided substantive law for appropriations covering the activities of the Bureau of Indian Affairs. The scope and character of the authorizations contained in this Act were broadened by the Indian Reorganization Act of 1934 (48 Stat. 948; 25 U.S.C. 461 et seq.); by the Indian Self-Determination and Education Assistance Act of 1975 (188 Stat. 2203; 25 U.S.C. 450); by amendments to Title XI of the Elementary and Secondary Education Amendments Act of 1978 (P.L. 95–561); by the Indian Child Welfare Act of 1978 (P.L. 95–608); and by the Tribally Controlled Community College Assistance Act of 1978 (P.L. 95–471, as amended).

EDUCATION SCHOOL OPERATIONS

[In thousands of dollars]

	Baseline fiscal year 1985	Administration fiscal year 1986 request	SCIA recommendation
A. Indian School Equalization Program:			
1. Indian school equalization formula	152,179	154,370	154,370
2. Indian school program adjustments	1,775	1,775	1,775
B. Education standards (Implementation)		1,900	1,900
C. Institutionalized handicapped	2,342	2,342	2,342
D. School board expenses	1,200	727	1,200
Training Fund	515	515	515
E. Student transportation	10,187	11,887	11,887
F. Technical support agency and area offices	9,067	8,530	8,530
G. School operations contract support		7,732	7,732
Total	177,265	189,778	190,251

Indian School Equalization Program

The Committee recommends $156,145 for the Indian School Equalization Program (ISEP) for FY '86. This figure corresponds with the Administration's request. The Committee, however, continues to support the appropriations concept of "Forward Funding" of the Bureau's education programs as the most appropriate and expeditious method for insuring that schools have sufficient time and the necessary funds to plan for educational services to its children. Although the Bureau has implemented a "one-week" count in FY '85, there are indications that some schools continue to receive late funding allocations for the current academic year. Therefore, the Committee recommends that when the Bureau makes its request for appropriations for FY '87, that it also include FY '88 funding. The forwarding funding of its education program can thus be accomplished. The Bureau of Indian Affairs has authority to request forward-funding for its programs under the auspices of the Snyder Act.

School Boards

The Committee recommends $1,200,000 for the "Expenses" portion of School Boards in FY '86. This compares with the Administration's estimate of $727,000. The Committee's recommendation is greater because it is based on the Bureau's FY '85 estimated "Expenses" for school boards. For FY '86, the Bureau has set a maximum amount each school board can expend for its meetings, including Agency school board meetings, association dues, and legal fees. The maximum amounts are based on the levels of student enrollment. Schools with student enrollments of 250 and below would receive $700 less per school than those schools with 250 and above; while On-Reservation Boarding Schools of 500 students and above would receive $2,200 less per school board than a comparable enrollment level Off-Reservation Boarding School. Regardless of the enrollment level, school boards may be similar in the number of its members, range of responsibilities, etc. The scale of enrollment levels and commensurate maximum amounts per school board do not adequately address relevant factors such as locations of schools, distances which school board members must travel to school board meetings, variances in legal fees, per diems, stipends, other costs relative to regularly scheduled and special meetings, and fees for membership in school board organizations. In short, a scale mathematically based on enrollment levels does not appropriately reflect differences in the amounts a school board needs to adequately carry out its responsibilities. The Committee, however, does agree with the Bureau's FY '86 estimate of $515,000 for the "Training Fund" portion for School Boards. The Committee would like to note that in FY '84 and '85 "Training Fund" monies were allocated to contractors who provided the regional and centralized school board training extremely late in the academic year. The Committee urges the BIA to allocate the training funds in a timely manner so that school boards can utilize the training during the academic year.

JOHNSON-O'MALLEY EDUCATIONAL ASSISTANCE

[In thousands of dollars]

	Baseline fiscal year 1985	Administration fiscal year 1986 request	SCIA recommendation
JOM education assistance	25,674	0	25,674
JOM contract support	3,183	0	3,183
Total	28,857	0	28,857

The Administration has not requested any funding for the Johnson-O'Malley Educational Assistance Program (JOM) for FY '86. The Committee believes the justification used by the Bureau of Indian Affairs for the termination of the JOM Program is inadequate. It appears that the reasons cited for its elimination stem from problems related to the administration of the program, rather than its substance. Other reasons for its total elimination included findings which are at best questionable and inconclusive. For example, the Bureau notes the findings on a study of Indian education programs in public schools "indicates that states are taking a more active role in meeting the special needs of Indian students." The extent to which states are taking a more active role is not explained, nor are the types of "special" needs the states are addressing. The Bureau states that the "JOM program duplicates other Federal and state programs." However, testimony received from tribal and Indian educational organizations and schools sharply disagree with the Bureau's positions.

It is important to note that when the Committee held oversight hearings on the FY '84 budget, the Bureau was asked to respond to a recent General Accounting Office report that indicated the JOM program was not duplicative of the Title IV, Part A program. BIA witnesses responded that generally the two programs were not duplicative. Where there were instances of duplication, the BIA coordinated with the Department of Education, which administers the Title IV, Part A program, to insure minimal duplication. At that same oversight hearing, the Assistant Secretary for Indian Affairs at the Department of the Interior stated that the JOM program was one of the three programs which should be considered priority and would be held harmless against budget cuts. The Committee believes that whatever problems exist in the areas of duplication with other federal programs and the questionable use of JOM funds by some public schools can be corrected through the monitoring system of the BIA. The Committee, therefore, disagrees with the Administration's request for zero funding for this program and recommends funding at the level of $28,857,000, the same amount that was appropriated in FY '85.

BIA EDUCATION—CONTINUING EDUCATION SUBACTIVITY

[In thousands of dollars]

	Baseline fiscal year 1985	Administration fiscal year 1986 request	SCIA recommendation
Higher education	26,868	29,423	29,423
Special higher education	2,050	2,050	2,050
Adult education	3,474	3,704	3,704
Post-Secondary	9,045	9,009	9,045
Tribal controlled community colleges	11,819	11,800	18,258
Total	53,256	55,986	62,480

Post Secondary

The Committee notes that the BIA requests $9,009,000 for the operation of Haskell Indian Junior College, Institute of American Indian Arts (IAIA) and Southwestern Indian Polytechnic Institute (SIPI); $36,000, less that appropriated in FY '85. There is no explanation of the reason for this decrease. Therefore, the Committee recommends the current appropriated level of $9,045,000 for the Post Secondary School for FY '86.

Tribally Controlled Community Colleges

The Committee disagrees with the Bureau's budget request for Title I Tribally Controlled Community Colleges (TCCCs), and with the BIA's basis for the request. Due to inaccurately low projections of student count for FY '86, the current request of $6,950,000 is not sufficient to maintain the TCCCs at acceptable levels.

The FY '86 budget requests the same dollar amount as appropriated in FY '85, even though, by the BIA's own estimates, there will be an increase in enrollment. For purposes of clarity, the Committee will focus on the Full-Time Equivalent count (FTE), although the BIA has for FY '86 converted to the Indian Student Count (ISC), as mandated by the Tribally Controlled Community Colleges Assistance Act of 1978, as amended by Public Law 98–192. A comparison of the projected and final counts as shown in the FY '85 Budget Justification (Budget) and the FY '86 budget clearly shows the BIA counts to be in error—to the detriment of the TCCCs. In the FY '85 budget, the BIA projected a FY '84 FTE of 2,500. However, in the FY '86 budget, the BIA states that the final '84 FTE was 2,616. Again, in the FY '85 budget, the BIA projected an '85 FTE count of 2,549, while the FY '86 budget projects the '85 figure at 2,826—a difference of 277 FTE.

Based on working experience with the American Indian Higher Education Consortium's (AIHEC) projected student counts, which, although normally lower than BIA final audited counts are much closer to the final counts, the Committee accepts AIHEC's projection of ISC for FY '86 of 3,540, as compared to the BIA's 3,278 ISC. AIHEC has utilized the same formula for computing the new ISC as the BIA, but has projected a higher total, based on the TCCCs' experienced growth rate and the prior year's final count.

Under the BIA's proposed FY '86 budget, the per student dollar amount would be far less than that received in past years. Due to

the continued lowering of dollars, the colleges have been unable to retain professors and staff and to maintain or expand their curriculum: factors that are a threat to continued accreditation of the schools.

The Committee recommends a level of $2,812/ISC for a total of $9,945,480 for Title I TCCCs. This per count dollar figure is that appropriated per FTE in FY '83, and, due to the inflation over the past three fiscal years and the increase in count due to the new ISC computation, will keep the Colleges on a level equal to FY '83.

The Committee also disagrees with the budget request for Navajo Community College (NCC), Title II, and the BIA's basis for the request. Analysis of Title II shows that NCC is not to be funded by the same formula as Title I schools, but rather is to receive an amount equal to that necessary to carry out the operation and maintenance of the College. The Committee is disturbed by the BIA's continued failure to prepare the regulations under which NCC's funding is to be determined. In the absence of regulations, the Committee recommends that NCC be budgeted at $5,800,000, based on NCC's current needs and projected FY '86 student enrollment of $2,600.

The Tribally Controlled Community Colleges Assistance Act of 1978, as amended by Public Law 98-192, authorizes forward funding for the program. The Bureau has failed to request funding for use in FY '87 in the FY '86 budget request. The Committee recommends that the BIA include forward funding for FY '88 in the FY '87 Budget Justification for both Title I and Title II colleges.

The Committee notes that the Bureau of Indian Affairs again has not requested any funding for Title III—Tribally Controlled Community College Endowment Program—of the Tribally Controlled Community Colleges Assistance Act of 1978, as amended by Public Law 98-192. Title III, Section 306 authorized $5,000,000 for each of FY '85, '86, and '87.

The Committee disagrees with the BIA's failure to request monies for the Endowment program, and recommends $1,500,000 be included for FY '86.

SUMMARY OF SOURCES OF FUNDS

[In thousands of dollars]

	Baseline fiscal year 1985	Administration fiscal year 1986 request	SCIA recommendation
Title I	6,950	6,950	9,945
Title II	3,837	3,837	5,800
Technical assistance	116	116	116
Synder Act	916	897	897
Title III			
Total	11,819	11,800	18,258

TRIBAL GOVERNMENT SERVICES

[In thousands of dollars]

	Baseline fiscal year 1985	Administration fiscal year 1986 request	SCIA recommendation
Aid to Tribal Government	17,650	21,479	21,479
Tribal courts	8,286	10,598	10,598
Total	25,936	32,077	32,077

SOCIAL SERVICES

[In thousands of dollars]

	Baseline fiscal year 1985	Administration fiscal year 1986 request	SCIA recommendation
Welfare assistance grants	78,906	82,748	82,748
Indian Child Welfare Act grants	8,820	8,820	8,820
All other social services	17,258	22,542	22,542
Total	104,984	114,110	114,110

LAW ENFORCEMENT

[In thousands of dollars]

	Baseline fiscal year 1985	Administration fiscal year 1986 request	SCIA recommendation
Law enforcement	44,354	48,450	48,450
Total	44,354	48,450	48,450

SELF-DETERMINATION SERVICES

[In thousands of dollars]

	Baseline fiscal year 1985	Administration fiscal year 1986 request	SCIA recommendation
Grants	15,820	11,514	15,157
Training and technical assistance	1,776	3,750	3,750
Contract support	1,666	1,440	1,440
Small tribes core management	4,900	4,841	4,841
Total	24,162	21,545	25,188

The Committee recommends that grants to tribes remain at the FY '85 level minus the dollars transferred to the tribe/agency level for Training and Technical Assistance.

NAVAJO-HOPI SETTLEMENT PROGRAM

[In thousands of dollars]

	Baseline fiscal year 1985	Administration fiscal year 1986 request	SCIA recommendation
Navajo-Hopi Settlement Program	2,773	2,886	2,886
Total	2,773	2,886	2,886

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ECONOMIC DEVELOPMENT AND EMPLOYMENT PROGRAMS

[In thousands of dollars]

	Baseline fiscal year 1985	Administration fiscal year 1986 request	SCIA recommendation
Employment development	25,414	26,240	26,944
Business enterprise development	15,688	15,523	15,523
Road maintenance	21,890	22,806	23,458
Economic development/employment contract support	2,675		
Total	65,667	64,569	65,925

The Committee disagrees with the budget request for employment development. In view of the fact that 175,900 Indians are unemployed, the Committee recommends that funding be continued at the current level plus the GNP factor and additional funding for United Tribes Educational Technical Center (UTETC). The Committee recommends $26,944,000 for development/assistance (within this element funding for UTETC at $1,700,000 due to increased enrollment and equipment costs).

The Committee also disagrees with the budget request for road maintenance. In view of the fact that there has been severe winter damage to the thousands of miles of roads on Indian reservations, the Committee recommends that funding be increased for inflation: $22,832,000. The Committee also recommends an additional $626,000 for Road Construction, to be used to repair and construct roads at United Tribes Technical and Educational Center in Bismarck, North Dakota. The total for this activity would be $23,458,000.

NATURAL RESOURCES DEVELOPMENT—FORESTRY AND AGRICULTURE

[In thousands of dollars]

	Baseline fiscal year 1985	Administration fiscal year 1986 request	SCIA recommendation
Natural resources, general	1,852	2,407	2,407
Agriculture	23,516	22,905	22,906
Forestry	32,315	31,486	31,486
Water resources	7,155	9,239	9,239
Wildlife and parks	19,672	23,789	23,789
Fire suppression	422	422	422
Total	84,932	90,248	90,248

NATURAL RESOURCES DEVELOPMENT—MINERALS AND MINING/IRRIGATION AND POWER

[In thousands of dollars]

	Baseline fiscal year 1985	Administration fiscal year 1986 request	SCIA recommendation
Minerals and mining	12,801	8,507	8,507
Irrigation and power	7,957	7,981	7,981
Total	20,758	16,488	16,488

TRUST RESPONSIBILITIES—INDIAN RIGHTS PROTECTION

[In thousands of dollars]

	Baseline fiscal year 1985	Administration fiscal year 1986 request	SCIA recommendation
Environmental quality	1,166	1,053	1,053
Indian rights protection	19,384	18,237	18,237
Total	20,550	19,290	19,290

REAL ESTATE/FINANCIAL TRUST SERVICES

[In thousands of dollars]

	Baseline fiscal year 1985	Administration fiscal year 1986 request	SCIA recommendation
Trust services, general	999	1,049	1,049
Real estate services	23,644	26,148	26,148
Financial trust services	3,658	3,963	3,963
Total	28,301	31,160	31,160

FACILITIES MANAGEMENT

[In thousands of dollars]

	Baseline fiscal year 1985	Administration fiscal year 1986 request	SCIA recommendation
Facilities management	88,368	90,390	90,390
Total	88,368	90,390	90,390

GENERAL ADMINISTRATION

[In thousands of dollars]

	Baseline fiscal year 1985	Administration fiscal year 1986 request	SCIA recommendation
Management and administration	48,260	48,910	48,910
Automatic data processing	17,748	17,966	17,966
Employee compensation payments	6,858	7,523	7,523
Program management	4,805	4,311	4,311
Cost-of-living increases for "638" employees	0	0	3,183
Total	77,671	78,710	81,893

The Committee recommends $3,183,000 necessary to pay the 1985 cost-of-living increase for tribal employees under Indian Self-Determination Act contracts, "P.L. 93-638", in FY '86. Notwithstanding the requirements of section 106(h) of the Indian Self-Determination Act that "638" employees be treated the same as civil service employees, BIA has denied the "638" employees the FY '85 cost-of-living increase and has not included funds in the FY '86 request to give them that raise. This is done upon the grounds that the "638" employees will not be asked to take the proposed 5 percent FY '86 Federal pay cut. In the event that Congress rejects the general pay cut, "638" employees will be unfairly and illegally discriminated against unless this amount is restored to the FY '86 budget.

CONSTRUCTION—BUILDINGS AND UTILITIES

[In thousands of dollars]

	Baseline fiscal year 1985	Administration fiscal year 1986 request	SCIA recommendation
Education projects	13,661	0	15,475
Noneducation construction	2,668	0	0
Advanced planning and design	0	0	2,600
Facility improvement and repair	40,180	37,490	41,627
Total	56,509	37,490	59,702

The Committee does not agree with the Bureau's recommendation to zero-out school construction. The only justification given by the BIA is that the Administration's FY '86 policy of the Administration is to request no new construction for any type of project: housing, schools, irrigation systems, etc. This type of blanket rationale ignores the unique relationship between the Federal Government and Indian tribes as well as the rural isolation and physical condition of existing schools. The Committee recommends $15,475,000 for school construction in FY '86. This amount will allow new construction of the following three schools, which, according to the BIA, will be ready for construction in FY '86:

Two Eagle River, MT	$3,575,000
Rocky Boy, MT	2,500,000
Turtle Mountain, ND	9,400,000
Total	15,475,000

In addition, the Committee notes that the BIA has not requested any monies for planning and design of new schools. For the same reasons as stated above, the Committee disagrees with the BIA's recommendation and recommends $2,600,000 for planning and design in FY '86. This amount will allow planning and design at approximately six schools, as follows: Turtle Mountain, ND; Pine Ridge, SD; Crow Creek, SD; Coeur d'Alene, ID; Paschall-Sherman, WA; and, Cheyenne-River, SD.

Although the Bureau states that facility improvement and repair is a priority for FY '86, as opposed to new construction, the BIA requests less than the FY '85 funding. A review of the BIA's priority list for F I & R indicates that the requested level is insufficient. The Committee recommends that the F I & R account be budgeted

at last year's level plus the GNP inflation factor for a total of $41,627,000.

IRRIGATION

[In thousands of dollars]

	Baseline fiscal year 1985	Administration fiscal year 1986 request	SCIA recommendation
Irrigation	25,853	15,759	26,399
Total	25,853	15,759	26,399

The Committee notes that the BIA has not requested any monies for on-going construction projects: projects that are currently in construction or awaiting the final dollars for construction. The Committee, therefore, recommends an additional $10,640,000 for the following construction projects:

Ft. Belknap, Milk River Project, MT	$1,000,000
Rosebud, SD	540,000
Navajo Indian Irrigation Project	9,100,000

The Committee is very concerned with the Bureau's actions in regard to the Canyon Day, AZ project. The Congress has appropriated $4,600,000 for the beginning of this project ($1,500,000 in FY '82 and $3,100,000 in FY '83). The BIA has not released this money for the project to the White Mountain Apache Tribe nor begun construction. The BIA's reason for this refusal to expend the monies already appropriated is that the total dollars necessary for the project need to be appropriated before any dollars can be expended. The Committee does not understand this rationale since the majority of irrigation projects are funded in phases. The Committee, therefore, recommends that the BIA proceed with the Canyon Day project and expended the funded dollars to commence phase construction.

The Committee is also concerned with the failure of the BIA to request monies for the Navajo Indian Irrigation Project (NIIP). This project was authorized in 1962, under Public Law 87-483, in recognition of an agreement between the Navajo Nation, the State of New Mexico, and the United States. Yet, to date, the project is still not complete. The $9,100,000 recommended for FY '86 would allow irrigation of an additional half block.

HOUSING

[In thousands of dollars]

	Baseline fiscal year 1985	Administration fiscal year 1986 request	SCIA recommendation
Housing	22,736	16,996	22,736
Total	22,736	16,996	22,736

The Committee disagrees with the BIA's request for the Housing subactivity. Again, the Bureau has requested no monies for new

construction, for the same reasons as given for zeroing school construction. The Committee, again, disagrees with this rationale and the proposed budget cut, and recommends that $6,169,590 be restored to this account. This money will provide for the construction of approximately 171 new houses in Indian country, and will bring the program back to last year's appropriated level. The Committee, therefore, recommends that Housing be budgeted at $22,736,000.

MISCELLANEOUS APPROPRIATIONS

[In thousands of dollars]

	Baseline fiscal year 1985	Administration fiscal year 1986 request	SCIA recommendation
Miscellaneous appropriations		45,000	70,000
Total	41,768	45,000	71,000

The Committee notes that the BIA's request does not reflect the agreement which the Navajo Tribe and the Bureau negotiated to address the financial problems facing the Navajo Agricultural Products Industry (NAPI). Under this agreement, the Tribe assumed the responsibility to repay $25.3 million of NAPI's current debt with the understanding that the Bureau would extend to the Tribe a 20-year, interest-free $25 million loan for the balance of NAPI's debt. This interest-free loan will enable the Tribe to clear BIA loans to NAPI and keep the revolving loan program solvent, the Committee recommends the appropriation of $25 million for a twenty year, interest-free loan to the Navajo Tribe under the miscellaneous appropriations account.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Indian Health Services

The Indian Health Service (IHS) is the largest direct health care program for non-military citizens currently administered by the Federal Government. The IHS provides direct health care and referral services to approximately 987,000 Indian and Alaska Native people residing on reservations and in urban environments.

The President's justification for the Fiscal Year 1986 budget establishes three broad objectives for the Indian Health Service. The first broad focus is the promotion and implementation of disease prevention and health promotion goals and objectives. The second broad area of focus for strengthening the IHS program is in the nature of management improvements. The third broad focus is the promotion of self-determination activities.

The Committee finds that the President's budget request for the Indian Health Service for Fiscal Year 1986 not only fails to support the stated objectives but will further undermine the ability of the Indian Health Service to realize the goals outlined in the IHS budget justification. First, rather than expanding the capacity of the Indian Health Service to provide health promotion and disease prevention services, the President's budget request proposes a reduction of over $26 million in the area of preventive health and the

elimination of the Community Health Representative program—the primary vehicle for the delivery of health promotion and disease prevention services within the Indian Health Service. Of a total budget request of over seven hundred and fifty-eight million dollars, only $2 million is proposed for allocation to the IHS resource patient management system. This management system would enable the Indian Health Service to enhance its revenue-producing potential by developing the capacity to bill for services rendered on the basis of the Federally-mandated diagnostic related groups, to readily identify Medicaid- and Medicare-eligible patients, and to provide itemized billings to third party insurers. The management system would also provide the Indian Health Service with an automated capacity to manage patient information and maintain medical records. The resource patient management system would further establish a capacity within the Indian Health Service to link remote and isolated IHS service areas to IHS hospital and clinics and to provide the Indian patient with greater access to limited physician and other health care personnel resources. The two million dollars requested for the development of a system that is so critical to the improved management of the Indian Health Service is insufficient to assure that the second broad focus outlined in the IHS budget justification will be achieved any time in the near future. The President's budget request for Fiscal Year 1986 also proposes termination of the tribal management program, a program that is designed to support tribal capacity-building activities, planning efforts, training, resource development and the development of tribal management systems. The elimination of this principal IHS mechanism for fostering self-determination activities among Indian tribes and tribal organizations can be expected to seriously thwart IHS efforts to realize the third broad area of focus for strengthening the Indian Health Service program.

The Fiscal Year 1986 budget request for Indian Health reflects a decrease of $96,658,000 from the 1985 appropriation. The Department proposes to partially offset this reduction by the application of Medicaid and Medicare reimbursements to base program obligations. The Committee questions the use of Medicare and Medicaid reimbursements to fund the costs of printing and patient travel, as well as basic program efforts. Because restrictions of the Social Security Act and the Indian Health Care Improvement Act expressly prohibit the use of Medicaid and Medicare funds to offset IHS appropriations, the Committee has disallowed all proposed Medicaid and Medicare offsets in its recommendations.

The Committee remains opposed to "the rationing of health care to Indian people", promulgated through the budget process. Testimony received by the Committee indicates that the health status of Indian people remains well below that of the general population. To encourage progress toward the goal of establishing Indian health status parity with the U.S. citizens nationally, the Committee recommends that the Indian Health Service be appropriated funds sufficient to assure that IHS programs can be maintained at Fiscal Year 1985 operating levels. Toward this end, the Committee has accepted IHS projected built-in program increases for Fiscal Year 1986, even though IHS projected built-in increases often fall below the percentage of health-care cost inflation projected nation-

ally. Built-in increases are defined in the Indian Health Service budget justification as increases which reflect the impact of inflation on a program, including such items as funding of the full-year costs of increased positions in the 1985 appropriation, within-grade promotions, increased costs of medical supplies, and the increased cost of health care provided under contracts or grants. The built-in increase is the amount that would be necessary for the Indian Health Service to maintain in Fiscal Year 1986, the Fiscal Year 1985 level of program effort. Program decreases have been disallowed in the Committee's recommended levels of funding.

The Committee is vigorously opposed to the proposal to merge the IHS facilities construction account with the Indian Health appropriation. Representatives of the Department have requested the proposed merger on the basis that it will facilitate reprogramming of funds from one account to another. Given the past reluctance of the Department to expend the funds that Congress has appropriated for the construction of IHS facilities, the Committee is opposed to any accounting mechanism that would allow the Department greater flexibility to reprogram funds out of the facilities construction account. The $97,765,740 of unobligated funds in the IHS facilities construction account in Fiscal Year 1985 serves as current evidence of the Department's reluctance to comply with Congressional directives in this area. The proposed merging of facilities and services accounts will make it even more difficult for Congress to ascertain the need for facilities construction, or any change in Administration policy affecting IHS facilities. The Committee strongly recommends that the Committees on Budget and Appropriations reject the proposal to merge IHS services and facilities accounts.

Again, in Fiscal Year 1986, the IHS budget request for the construction of IHS facilities is insufficient to complete the construction of all IHS facilities that are presently in some phase of construction. Although representatives of the Department have assured the Committee that funds will be requested in future years to complete construction, the Committee is concerned that the delays in completing construction will incur greater costs to the Federal government and that the costs associated with such completions will greatly exceed original cost projections.

The Committee is very concerned that the President's budget request for Fiscal Year 1986 once again proposes to offset various clinical service program expenses with projected reimbursements from Medicare and Medicaid. There are at least two reasons for the Committee's serious concern over this practice. First, given the $26,922,000 collected from Medicaid and Medicare sources in Fiscal Year 1984, the Committee believes that Department projections of $54,100,000 in Medicaid/Medicare collections for Fiscal Year 1985 are unrealistic. In addition, Department representatives have testified that there have been no changes in the billing or collection procedures employed by the Indian Health Service to increase Medicaid and Medicare collections. First quarter evidence of Medicaid/Medicare collections in Fiscal Year 1985 would also seem to indicate that the Department's projections of $54,100,000 in Medicaid and Medicare collections for Fiscal Year 1986 are similarly unrealistic.

A second but no less important concern over the proposed use of Medicaid/Medicare collections is its potential to violate restrictions of P.L. 94-437 (the Indian Health Care Improvement Act) that limit the use of Medicaid/Medicare reimbursements for the exclusive purpose of enabling the Indian Health Service to achieve and maintain accreditation of IHS hospitals and facilities. Public Law 94-437 specifically provides that, "Any payment received for services provided recipients hereunder shall not be considered in determining appropriations for the provision of health care and services to Indians." This limitation is waived only upon the certification of the Secretary that all IHS hospitals and eligible facilities comply with required standards. Committee reports interpreting the Act's restrictions make clear that Medicaid/Medicare funds are not to be used to supplant IHS appropriations. Such funds are intended instead only to supplement IHS appropriations. For these reasons, the Committee recommends that the Senate Committees on Budget and Appropriations disallow the proposed Medicaid/Medicare offsets to the IHS budget.

CLINICAL SERVICES

[In thousands of dollars]

	Baseline fiscal year 1985	Administration fiscal year 1986 request	SCIA recommendation
Hospital and health clinic	468,631	418,221	428,938
Dental services	24,923	25,215	25,530
Mental health	11,179	11,304	11,433
Alcoholism	24,482	24,776	26,000
Maintenance and repair	8,570	8,673	8,984
Contract care	163,956	165,866	174,121
Total	701,741	654,055	674,986

Hospital and Health Clinic Program

The Committee recommends a funding level of $428,938,000 for the Hospital and Health Clinic program for Fiscal Year 1986, an 8% decrease from the amounts projected to be available for obligation in Fiscal Year 1985. The recommended funding level is based on the Fiscal Year 1985 direct appropriations level and the Fiscal Year 1986 IHS projection of built-in increases for this program, to enable IHS to maintain services at Fiscal Year 1985 levels. Consistent with Committee concerns outlined above, proposed Medicaid/Medicare offsets to base program obligations have been disallowed.

Dental Services

The Committee's recommended funding level for Dental Services in Fiscal Year 1986 consists of the Fiscal Year 1985 direct appropriation level and the Fiscal Year 1986 IHS projections of built-in increases for this program, for a total of $25,530,000. The proposed program decrease has been disallowed to assure that IHS can maintain services at the Fiscal Year 1985 level.

Mental Health

For Fiscal Year 1986, the Committee recommends an increase of 2% over Fiscal Year 1985 appropriations level for a total of $11,433,000. The 2 percent recommended increase is based on IHS projections of built-in increases for Fiscal Year 1986 and will allow IHS to maintain mental health services at Fiscal Year 1985 levels. The program decrease proposed in the IHS budget justification has been disallowed.

Alcoholism

The Committee recommends a 6 percent increase over Fiscal Year 1985 appropriation levels which includes IHS projections of built-in increases for Fiscal Year 1986 to maintain the alcoholism program at Fiscal Year 1985 levels, and additional support to strengthen IHS program initiatives and administrative capacities, for a total of $26,000. Because testimony received by the Committee indicates that alcoholism continues to be identified as the most significant health problem among Indian and Alaska Native populations, the Committee believes that a greater effort to focus resources on alcohol and drug abuse prevention and education is warranted.

Maintenance and Repair

In its Fiscal Year 1986 budget justification, IHS estimates that $2 million from the regular annual maintenance and repair program is anticipated to be applied toward reducing the high priority backlog of essential maintenance and repair deficiencies which total over $64 million. The Committee accepts IHS projections of built-in increases for maintenance and repair program increases and has added such increases to the Fiscal Year 1985 appropriations base to comprise the Committee's recommendation of $8,964,000 for maintenance and repair for Fiscal Year 1986.

Contract Care

The Committee accepts IHS projections of built-in increases in the contract care program for Fiscal Year 1986 and has added such increases to the Fiscal Year 1985 appropriations base to comprise the Committee's recommendation of $174,121,000 for contract care for Fiscal Year 1986. The Committee continues to be concerned about the application of competitive bidding to the purchase of contract care, and urges the Secretary to exempt the Service from the requirements of competitive bidding if in the judgment of the Chief Medical Officer, the quality of health care provided in Indian patients will be negatively affected.

PREVENTIVE HEALTH

[In thousands of dollars]

	Baseline fiscal year 1985	Administration fiscal year 1986 request	SCIA recommendation
Sanitation	20,299	20,272	20,684
Public health nursing	12,260	12,195	12,567
Health education	3,589	3,573	3,688

PREVENTIVE HEALTH—Continued

[In thousands of dollars]

	Baseline fiscal year 1985	Administration fiscal year 1986 request	SCIA recommendation
Community health representative	25,480	0	26,652
Hepatitis B	3,626	2,721	2,721
Total	65,254	38,761	66,312

The IHS budget justification indicates that the first broad focus for strengthening the IHS program in Fiscal Year 1984 and continuing in Fiscal Years 1985 and 1986 will be to promote and implement disease prevention and health promotion goals and objectives. In contrast to the those stated goals, the President's budget request for Fiscal Year 1986 calls for a 59 percent reduction of funds below Fiscal Year 1985 levels for preventive health. Testimony received by the Committee from health care professionals continues to stress the importance of preventive health initiatives in raising the health status of Indians and Alaska Natives to the highest possible level. Health care experts add that funding of preventive health programs maximizes the most efficient use of the Federal investment in health care for Indian and Alaska Native people. Health promotion and disease prevention programs have been initiated in many of the major Federal agencies including the Departments of Defense and Health and Human Services. In light of governmentwide activities in the field of preventive health, the Committee questions the reduced emphasis on preventive health in the President's budget request for the Indian Health Service for Fiscal Year 1986. The Committee's recommendation of $66,312,000 includes IHS projections of built-in increases in the preventive health program to maintain preventive health services at Fiscal Year 1985 levels.

Sanitation

The Committee accepts IHS projections of built-in program increases for the sanitation program for Fiscal Year 1986 and has added such increases to the Fiscal Year 1985 appropriated base to comprise the Committee's recommendation of $20,684,000 for sanitation for Fiscal Year 1986. The Committee's recommended funding level will allow the sanitation program to be maintained at Fiscal Year 1985 operating levels.

Public Health Nursing

The Committee is disallowing proposed program decreases in the public health nursing program that according to the IHS budget justification, will result in a reduction of 4,300 public health nursing services compared to Fiscal Year 1985. The Committee's recommended funding level of $12,567,000 will enable the public health nursing program to be maintained at Fiscal Year 1985 operating levels, accepting IHS projections of built-in increases for the public health nursing program for Fiscal Year 1986 and adding such increases to the Fiscal Year 1985 appropriated base.

Health Education

There is substantial evidence that health education is a critical component of the IHS preventive health effort, and that much of the success that has been achieved in reducing infant mortality and morbidity among Indian and Alaska Native groups can be attributed to increased health education. Because of the importance of health education in preventing disease and promoting health among Indian and Alaska Native people, the Committee is disallowing proposed decreases to the health education program. Instead, the Committee accepts IHS projections of built-in increases for the health education program in Fiscal Year 1986, and has added such increases to the Fiscal Year 1985 appropriated base for a recommended funding level of $3,688,000. The recommended funding level should enable the continuation of health education initiatives at Fiscal Year 1985 levels.

Community Health Representatives

In Fiscal Year 1985, the Indian Health Service estimates that Community Health Representatives will provide approximately 1.96 million health care services in the areas of general health care, dental health care, gerontological health care, maternal and child health care, mental health care, and environmental health services in the home, community and clinic settings. The Community Health Representative program contracts with tribal governments to provide community-oriented primary health care services to Indian and Alaska Native communities. Despite ample, credible evidence that the direct patient care responsibilities of Community Health Representatives are well within the scope of IHS budgetary objectives, the Administration is once again requesting elimination of the program on the grounds that IHS must focus its budget resources on maintaining key inpatient and outpatient medical care services. As the only IHS program that is almost completely staffed and operated by native and tribal health care providers, and as a program that allows tribal communities to determine which services can most effectively address community-specific health care needs, the Committee finds that the proposed elimination of the Community Health Representative program is inconsistent with the Presidential policy of Indian self-determination. Evidence received by the Committee indicates that most IHS physicians and health care professionals perceive the Community Health Representative program to be the most culturally-relevant and effective means of providing quality care to the IHS patient population. The Committee strongly supports the Community Health Representative program and recommends a funding level of $26,652,000 for Fiscal Year 1986. The recommended level of funding will allow the Indian Health Service to maintain the Fiscal Year 1985 program effort for the Community Health Representative program.

URBAN HEALTH

[In thousands of dollars]

	Baseline fiscal year 1985	Administration fiscal year 1986 request	SCIA recommendation
Urban health	9,800	0	10,407
Total	9,800	0	10,407

The President's budget request for Fiscal Year 1986 again proposes elimination of all 37 urban Indian health programs. Testimony and evidence presented to the Committee indicates that these programs have demonstrated their effectiveness and success at making health care available to the 50 percent of the Indian population that resides in urban areas. Documentation submitted to the Committee supports the finding that in the absence of these urban Indian health care programs, there are no alternative health resources that have the facilities, personnel, or financial capacity to serve the urban Indian patient population.

Given the demonstrated effectiveness of these programs and the lack of viable alternative health care resources, the Committee recommends a funding level of $10,407,000 for Fiscal Year 1986 for the urban Indian health care programs. This funding level should allow continuation of the urban Indian health care program at Fiscal Year 1985 operating levels.

INDIAN HEALTH MANPOWER

[In thousands of dollars]

	Baseline fiscal year 1985	Administration fiscal year 1986 request	SCIA recommendation
Indian health manpower	6,499	6,499	6,824
Total	6,499	6,499	6,824

The Indian Health Manpower program is designed to address shortages of health professionals serving Indian communities. Administration representatives, national Indian organizations and tribal representatives have all testified that the Indian Health Service and Indian communities continue to experience severe shortages of qualified Indian health professionals. The Committee has repeatedly received evidence that the Indians into Medicine program is one of the most effective programs currently recruiting Indian and Alaska Native people into the medical professions, and all testimony received by the Committee supports the recruitment and retention initiatives that are funded through the IHS Indian Health Manpower program as vital components of an effective health manpower program. The Committee recommends a funding level of $6,824,000 for the Indian Health Manpower program in Fiscal Year 1986, which includes $282,450 for the Indians into Medicine program.

TRIBAL MANAGEMENT

[In thousands of dollars]

	Baseline fiscal year 1985	Administration fiscal year 1986 request	SCIA recommendation
Tribal management	2,450	0	2,573
Total	2,450	0	2,573

As the principal means within the Indian Health Service of carrying out the Presidential policy of Indian self-determination, the tribal management program provides much-needed technical assistance to tribes and native organizations that are preparing to contract IHS programs. The Committee recommends a funding level of $2,573,000 for Fiscal Year 1986 and opposes the Administration's proposal to eliminate this program in Fiscal Year 1986.

DIRECT OPERATIONS

[In thousands of dollars]

	Baseline fiscal year 1985	Administration fiscal year 1986 request	SCIA recommendation
Direct operations	59,523	56,778	62,313
Total	59,523	56,778	62,313

The Committee accepts IHS projections for built-in program increases for Fiscal Year 1986 and has added such increases to the Fiscal Year 1985 appropriated base for a recommended funding level of $62,313,000.

INDIAN HEALTH FACILITIES

[In thousands of dollars]

	Baseline fiscal year 1985	Administration fiscal year 1986 request	SCIA recommendation
Indian health facilities	97,765	0	81,148
Total	97,765	0	81,148

Because of the importance of IHS facilities to the goal of raising the health status of American Indians and Alaska Native people to the highest possible level, the Committee recommends a funding level of $81,148,000 to provide for the activities set forth below.

INDIAN HEALTH FACILITIES

[In thousands of dollars]

	SCIA 1986	Prior appropriation
Inpatient facilities—Construction appropriation:		
1. Rosebud, S. Dak. (Phase I construction)	10,471	2,254
2. Sacaton, Ariz. (Final construction)	12,446	6,099

INDIAN HEALTH FACILITIES—Continued

[In thousands of dollars]

	SCIA 1986	Prior appropriation
3. Anchorage, Alaska (Planning and design)	3,000	2,060
4. Wagner, S. Dak. (Planning and design)	580	360
5. Pine Ridge, S. Dak. (Phase I construction)	5,200	1,360
6. Kotzebue, Alaska (Planning and design)	2,500	N/A
7. Shiprock, Ariz. (Planning and design)	1,740	N/A
8. Harlem, Mont. (Planning and design)	878	N/A
Outpatient facilities—Construction appropriation:		
9. Toppenish, Wash. (Planning and design)	688	N/A
10. Parker, Ariz. (Planning, design and construction)	5,935	N/A
11. Belcourt, N. Dak. (Planning and design)	1,200	N/A
Personnel quarters—Construction:		
12. Rosebud, S. Dak. (66 units)	6,270	N/A
13. Sacaton, Ariz. (20 units)	1,300	N/A
14. Wolf Point, Mont. (9 units)	855	N/A
15. Kyle, S. Dak. (22 units)	2,090	N/A
16. Ft. Thompson, S. Dak. (21 units)	1,995	N/A
Sanitation facilities:		
17. BIA-built homes (1,000 units)	8,300	N/A
18. Tribal, other homes (1,900 units)	15,700	N/A
19. HUD-built homes (3,300 units)	[1] (26,400)	
Total	81,148	

[1] To be transferred from HUD to IHS.

OTHER HUMAN DEVELOPMENT SERVICES PROGRAMS—ADMINISTRATION FOR NATIVE AMERICANS

[In thousands of dollars]

	Baseline fiscal year 1985	Administration fiscal year 1986 request	SCIA recommendation
Administration for Native Americans Program	29,000	27,300	32,000
Total	29,100	27,300	32,000

The FY appropriated level for the Administration for Native Americans Program (ANA) is $29,000,000. The Administration has recommended that the overall budget authority be decreased in FY '86 to $27,300,000. The basic program funding, the Financial Assistance Grants, would remain constant. However, the Training and Technical Assistance funding level of $1,000,000 to zero in FY '86. In addition, the Research, Demonstration, and Evaluation portion of the ANA program would be reduced from the FY '85 funding level of $700,000 to zero in FY '86.

The Training and Technical Assistance and the Research, Demonstration, and Evaluation components of the ANA program are invaluable to the success of the overall program. Both these components have been strongly endorsed by tribes and Native American organizations as beneficial to the goal of ANA, that is, to promote self-sufficiency to American Indians, Alaska Natives and Native Hawaiians by encouraging economic and social development. The Committee supports the continuation of both these components, in addition, to the basic Financial Assistance Grants. While the level of funding for the ANA program has remained relatively constant

over the past several years, inflation has reduced the real value almost in half. Currently, the ANA program is only able to fund twenty-five percent (25%) of the applications it receives. The Committee, therefore, recommends that the level of funding for FY '86 be budgeted at $34,000,000 to be distributed as follows: $32,000,000 for Financial Assistance Grants; $1,000,000 for Training and Technical Assistance; and, $1,000,000 for Research, Demonstration, and Evaluation.

DEPARTMENT OF EDUCATION—TITLE IV, INDIAN EDUCATION ACT

[In thousands of dollars]

	Baseline fiscal year 1985	Administration fiscal year 1986 request	SCIA recommendation
Parts:			
A	50,323	50,323	50,323
B	11,760	11,760	11,760
C	2,940	2,940	2,940
D	2,381	2,269	2,269
Total	67,404	67,292	67,292

IMPACT AID—CONSTRUCTION

[In thousands of dollars]

	Baseline fiscal year 1985	Administration fiscal year 1986 request	SCIA recommendation
Construction	20,000	.....	20,000
Total	20,000	.....	20,000

The Committee does not agree with the Department of Education's zero request for construction under Public Law 81-815, as amended. The only justification given for this decision is that it will "help control the Federal deficit." While the Committee shares the Administration concerns about the growing national deficit, it does not agree with zeroing out school construction, and recommends funding of $20,000,000 for construction grants to local education agencies that are comprised mainly of Indian lands or which provide a free public education to children who reside on Indian lands, as authorized by Section 14 (a) and (b) of P.L. 81-815, as amended.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—INDIAN HOUSING PROGRAM

[In thousands of dollars]

	Baseline fiscal year 1985	Administration fiscal year 1986 request	SCIA recommendation
Indian Housing Program	13,885,846	.....	11,170,000
Total	13,885,846	.....	11,170,000

Federally-assisted housing on Indian reservations and trust land areas (Alaska and Oklahoma) is provided primarily by the HUD Indian Housing Program. Since the 1960's, HUD has provided assistance in the development and management of housing for Indian and Alaska Natives pursuant to the United States Housing Act of 1937 as amended. According to the Bureau of Indian Affairs' Indian housing inventory for Fiscal Year 1984, approximately, 90,000 Indian families are in need of substantial housing assistance as compared with the 1970 figure of 63,000 Indian families. Of the 149,227 Indian homes, 54,314 are in substandard condition, 37,778 are in need of major renovation to bring them up to standard and 23,536 need complete replacement. A total of 58,771 new houses need to be built to meet the 1984 needs for Indian housing. In addition, 33,097 Indian and Alaskan Natives are homeless.

Since 1981, appropriations for Indian housing have been steadily declining despite the rising need for new units. In Fiscal Year 1985, HUD received $13,885,846 in new contract authority for the Indian Housing Program to build 2,000 new Indian housing units. However, in Fiscal Year 1986, the Administration has proposed a two-year moratorium for Indian housing development funding. This moratorium is part of a government-wide effort to curtail Federal spending to reduce the deficit. According to HUD, the moratorium will not affect the approximately 12,000 units in the development pipeline, which it claims can be utilized during the next two years. However, it is the concern of the Committee that the funds for these "pipeline units" might be subject to deobligation if they are in the "pipeline" over an extended period of time. Currently, there is no statutory provision which would allow the reuse of these units by other housing authorities. In effect, the units could be lost and the backlog of needed Indian housing units substantially increased.

The Committee is also concerned with the provision of water and sanitation to HUD Indian housing units. Since 1982, HUD has committed approximately $65,000,000 for off-site water and sanitation services to HUD units. To date, no formal agreement has been signed between HUD and the Indian Health Service (IHS). The method of "transferring" these Committee funds is so complex, and the process so slow and cumbersome, that only approximately $20,000,000 has been received by IHS or the Indian Housing Authorities. For example, at the end of January 1985, approximately 400 HUD Indian housing units had been completed, but lacked water and sanitation due to HUD's failure to transfer the funds to IHS. The Committee urges the Appropriations Committee to examine this situation, and, if necessary, directly appropriate the dollars to IHS.

The Committee, therefore, recommends $11,170,000 in new contract authority be budgeted to provide 2,000 new units.

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